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Deputy Director, Strategic Planning

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*To ensure access to high-quality,  
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care to Los Angeles County residents  
through direct services at DHS facilities  
and through collaboration with  
community and university partners.*



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July 30, 2013

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT THREE TO SUPPLY CHAIN  
PROCUREMENT AND DATA MANAGEMENT SERVICES AGREEMENT NO.  
H-704447 WITH GLOBAL HEALTHCARE EXCHANGE LLC  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION  
( )  
DISAPPROVE ( )**

**SUBJECT**

Request approval of an Amendment to the existing Agreement with Global HealthCare Exchange LLC for supply chain procurement and data management services at Department of Health Services facilities to amend the Statement of Work and to increase the maximum agreement sum by \$309,000.

**IT IS RECOMMENDED THAT THE BOARD:**

Authorize the Director of Health Services (Director), or his designee, to execute Amendment Three to Agreement H-704447 with Global HealthCare Exchange LLC (GHX), for supply chain procurement and data management services, effective upon Board approval to amend the Statement of Work for additional services and increase the agreement sum by \$309,000 for a revised maximum agreement sum of \$2,121,765 with no change to the previously approved amount for the optional six month-to-month extension period for a maximum agreement sum of \$2,243,815, subject to review and approval by

County Counsel.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommendation will authorize the Director, or his designee, to execute an Amendment, substantially similar to Exhibit I, to add additional post-implementation development services, including post-implementation custom programming for data conversion, across all Department of Health Services (DHS or Department) facilities to integrate GHX Procurement Suite with the Countywide eCAPS eProcurement and eInventory systems.

The recommended Amendment with GHX will provide customized programming to enable DHS to fully integrate GHX Procurement Suite with Countywide eCAPS eProcurement and eInventory systems; and to streamline processing the Department's high volume of invoices and purchase orders through the system. This will be achieved by standardizing financial coding for all Department purchase order transactions to meet County and DHS requirements and by making other necessary customizations to GHX Procurement Suite. Moreover, the Amendment will allow DHS to maximize supply chain automation, ensure compliance by implementing controls and standards, and provide the Department with the necessary data to make data-driven decisions with regard to effectively managing the supply chain process.

### **Implementation of Strategic Plan Goals**

The recommended actions support Goal 1, Operational Effectiveness and Goal 3, Integrated Services Delivery of the County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

With this Amendment, the County's maximum agreement sum will be increased by \$309,000 from \$1,812,765 to \$2,121,765 for the agreement period ending June 30, 2015.

Funding is included in DHS' Fiscal Year 2013-2014 Adopted Budget, and will be requested in future fiscal years.

All of these costs will be offset by Patron Equity Credits (PECs). DHS has accrued PECs, which are available to DHS to offset other charges, through the Department's participation in University HealthSystem Consortium's (UHC) group purchasing organization (GPO). These credits are awarded to DHS based on its purchase of commodities through UHC agreements and can be used to purchase services from GHX. DHS will utilize PECs to fund these services. After UHC rebates these PECs to DHS, DHS will use these credits to pay for the additional services.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

GHX is a Business Exchange made up of healthcare providers and healthcare product vendors. UHC members, including DHS, are the primary members of GHX. GHX provides current and up-to-date procurement data on medical supplies and to assist members with maintaining a uniform and an efficient supply formulary for medical and surgical supplies. GHX is the only company in the United States to specialize in healthcare supply chain data management and is currently integrated with all major GPOs, including Novation.

DHS has maintained membership in UHC, a not-for-profit member alliance of approximately 118

academic medical centers and its medical commodity contracting division, Novation, since 1997. As a UHC member, DHS has the ability to access UHC agreements as an alternative to conducting competitive solicitations.

As a member of UHC, the Department benefits from group discounts for all medical supplies covered under UHC-established vendor contracts. Consequently, DHS benefits from economies of scale. DHS utilizes GHX's supply chain procurement and data management services to increase its savings and more effectively leverage its purchasing power.

On September 21, 2010, the Board approved Agreement H-704447 with GHX for supply chain procurement and data management services for an initial term through June 30, 2013 with one two-year extension and six month-to-month extensions. These services maximize DHS' supply chain results with the following: development of a standardized supply formulary; implementation of controls to ensure compliance with the established formulary; reconciliation and cleansing of purchasing data for consistency and completeness; and hosting of established UHC supplier agreements.

On January 1, 2012, the Department executed Amendment One to exercise its delegated authority to increase the County's total agreement sum by 10 percent, an additional \$120,415, to address additional service needs. On May 22, 2013, the Department executed Amendment Two to exercise its delegated authority to extend the Agreement term to June 30, 2015.

County Counsel has reviewed and approved the Amendment (Exhibit I) as to form. The Chief Information Officer concurs with the Department's recommendation and the CIO Analysis is attached.

## **CONTRACTING PROCESS**

Under the current Agreement, GHX implemented its proprietary supply chain procurement and data management software and services. Additional modifications, interfaces, and new reports are necessary and exceed the current delegation of authority for custom programming in the GHX Agreement.

## **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommendation will enable the Department to continue its post-implementation of supply chain automation at all DHS facilities and to provide DHS with the necessary software to develop a standardized supply formulary across all DHS facilities.

Respectfully submitted,

Handwritten signature of Mitchell H. Katz in black ink.

Mitchell H. Katz, M.D.

Director

MHK:jl

Enclosures

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors

Handwritten signature of Richard Sanchez in black ink, with a small "Reviewed By:" stamp above it.

RICHARD SANCHEZ

Chief Information Officer



RICHARD SANCHEZ  
CHIEF INFORMATION OFFICER

Office of the CIO  
**CIO Analysis**

ATTACHMENT

NUMBER:

**CA 13-12**

DATE:

7/2/2013

SUBJECT:

**APPROVAL OF AMENDMENT THREE TO SUPPLY CHAIN PROCUREMENT AND DATA MANAGEMENT SERVICES AGREEMENT WITH GLOBAL HEALTHCARE EXCHANGE LLC**

RECOMMENDATION:

☒ Approve

☐ Approve with Modification

☐ Disapprove

CONTRACT TYPE:

☐ New Contract

☐ Sole Source

☒ Amendment to Contract #: H-704447

☐ Other: Describe contract type.

CONTRACT COMPONENTS:

☐ Software

☐ Hardware

☐ Telecommunications

☒ Professional Services

SUMMARY:

Department Executive Sponsor: **Mitchell H. Katz, M.D.**

Authorize the Director of Health Services, or his designee, to execute Amendment No. Three to Agreement H-704447 with Global HealthCare Exchange LLC (GHX), for supply chain procurement and data management services, effective upon execution to amend the Statement of Work for additional services and increase the agreement sum by \$309,000 for a revised maximum agreement sum of \$2,121,765 with no change to the previously approved amount for the optional six month-to-month extension period for a maximum agreement sum of \$2,243,815.

Contract Amount: **\$309,000**

Funding Source: **DHS Operating Budget  
Fiscal Year 2013-14 \***

☐ Legislative or Regulatory Mandate

☒ Subvented/Grant Funded: **100 % \***

- See footnote in the Financial Analysis section.

**Strategic and  
Business Analysis**

PROJECT GOALS AND OBJECTIVES:

To align with the Department's goal to reduce cost and improve efficiency of ordering crucial medical supplies using a standard formulary. GHX has been instrumental in streamlining the supply chain process for DHS and its interface into the County eCAPS system. This Amendment will standardize financial coding for all Department purchase order transactions to meet County and DHS requirements and by making other necessary customizations to GHX' Procurement Suite, including the creation of necessary technical interfaces, product code changes, and reports.

## BUSINESS DRIVERS:

The key business drivers for the project are:

1. **Operational efficiency:** The solution uses a standard formulary and a single system to order medical and non-medical supplies; this has already improved the efficiency of operation. Additionally, GHX interfaces with the County procurement system eCAPS which further improve operational efficiencies.
2. **Cost Reduction:** This solution reduces costs by using standardized formulary with discounted prices.

## PROJECT ORGANIZATION:

Gary D. McMann, Chief of Supply Chain Network, is the Project Executive Sponsor. Mauricio Aguilar, Manager of Supply Chain Information Systems, is the Project Director.

## PERFORMANCE METRICS:

This system enhancements will assist DHS to increase its savings and effectively leverage its purchasing power. DHS will be able to maximize supply chain automation, ensure compliance by implementing controls and standards, and provide the necessary data to make data-driven decisions to streamline supply chain process.

## STRATEGIC AND BUSINESS ALIGNMENT:

The project supports the following County Strategic Plan Goal 1, Operational Effectiveness and Goal 3, Integrated Services Delivery of the County's Strategic Plan.

## PROJECT APPROACH:

The vendor will perform the agreed upon application modifications to GHX Procurement Suite and the GHX' Transfer Engine. Mauricio Aguilar, Manager of Supply Chain Information Systems will be the Project Manager who will provide the appropriate project planning and guidance to ensure the application modifications are fully tested before user acceptance.

## ALTERNATIVES ANALYZED:

This is an Amendment to an existing Agreement. No alternative was considered.

<b>Technical Analysis</b>	<p>ANALYSIS OF PROPOSED IT SOLUTION:</p> <p>The GHX/eCAPS Integration Interface is based on numerous crosswalk tables that are not providing the financial data required by DHS Finance to justify reimbursements for medical supplies. This Amendment will allow changes to be made to the GHX suite of applications to create additional fields to store required financial data by eliminating the need for the crosswalk tables.</p> <p>The service details are described in the Statement of Work (SOW). It covers a new interface to load the Procurement Master table data from eCAPS into GHX' transfer engine. The transfer engine is also modified to ensure proper coding of each item. A new report will be created for items that are not coded and this validation will eliminate downstream issues. Other modifications will also be made to improve data integrity and streamline navigation.</p>										
<b>Financial Analysis</b>	<p>BUDGET:</p> <p><b>Contract costs:</b></p> <p>One-time costs: (for Amendment Three)</p> <table> <tr> <td>Services.....</td><td>\$309,000</td></tr> <tr> <td><b>Total one-time costs:</b></td><td><b>\$309,000 *</b></td></tr> </table> <p>Previous contract cost: \$1,812,765 (includes Amendments One &amp; Two)</p> <table> <tr> <td><b>Contract sum:</b></td><td><b>\$2,121,765</b></td></tr> <tr> <td><b>Optional cost: (6 months max):</b></td><td><b>\$ 122,050</b></td></tr> <tr> <td><b>Total cost (maximum):</b></td><td><b>\$2,243,815</b></td></tr> </table> <p>Other County costs: N/A</p> <p>*DHS budgeted the annual amount because the anticipated credits cannot be calculated. However, based on the volume of purchases, they are receiving 100% credit from the University HealthSystem Consortium (UHC) group. This is part of their budgetary and financing process.</p>	Services.....	\$309,000	<b>Total one-time costs:</b>	<b>\$309,000 *</b>	<b>Contract sum:</b>	<b>\$2,121,765</b>	<b>Optional cost: (6 months max):</b>	<b>\$ 122,050</b>	<b>Total cost (maximum):</b>	<b>\$2,243,815</b>
Services.....	\$309,000										
<b>Total one-time costs:</b>	<b>\$309,000 *</b>										
<b>Contract sum:</b>	<b>\$2,121,765</b>										
<b>Optional cost: (6 months max):</b>	<b>\$ 122,050</b>										
<b>Total cost (maximum):</b>	<b>\$2,243,815</b>										
<b>Risk Analysis</b>	<p>RISK MITIGATION:</p> <ol style="list-style-type: none"> <li>1. DHS needs a thorough requirements analysis document to capture all the code changes. Effective project governance is also critical.</li> <li>2. The Chief Information Security Officer (CISO) has reviewed the Amendment and did not identify any IT security or privacy related issues.</li> </ol>										

**CIO Approval**

PREPARED BY:



Sanmay Mukhopadhyay, Sr. Associate CIO

7/2/13

Date

APPROVED:



Richard Sanchez, County CIO

7-2-13

Date

Please contact the Office of the CIO (213.253.5600 or [info@cio.lacounty.gov](mailto:info@cio.lacounty.gov)) for questions concerning this CIO Analysis. This document is also available online at <http://ciolet.net.lacounty.gov/>



Agreement No. H-704447

AGREEMENT  
BY AND BETWEEN  
COUNTY OF LOS ANGELES  
AND  
GLOBAL HEALTHCARE EXCHANGE LLC  
FOR  
SUPPLY CHAIN SERVICES

## Amendment No. 3

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

By and between COUNTY OF LOS ANGELES  
(hereafter "County"),

And GLOBAL HEALTHCARE EXCHANGE LLC  
(hereafter “Contractor”)

Business Address:  
1315 West Century Drive  
Louisville, CO 80027

WHEREAS, reference is made to that certain document entitled "Agreement By and Between County of Los Angeles and Global Healthcare Exchange LLC for Supply Chain Services," dated September 21, 2010, and further identified as Agreement No. H-704447, and any amendments thereto (all hereafter referred to as "Agreement") to provide Supply Chain Procurement and Data Management Consulting Services at all Department of Health Services facilities; and

WHEREAS, it is the intent of the parties hereto to amend Agreement to expand the Statement of Work, increase the maximum reimbursement, and to provide for other changes as set forth herein; and

WHEREAS, Agreement provides that changes in accordance to Paragraph 8.1, Amendments, may be made in the form of an Amendment which is formally approved and executed by the parties; and

WHEREAS, Contractor warrants that it possesses the competence, expertise and personnel necessary to provide services consistent with the requirements of this Agreement and consistent with the professional standard of care for these services.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. This Amendment shall commence and be effective upon execution.

2. Agreement, Paragraph 4.0, **TERM OF AGREEMENT**, is hereby amended to add Sub-Paragraph 4.4, as follows:

“4.4 The County maintains databases that track/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.”

3. Agreement, Paragraph 5.0, **AGREEMENT SUM, BILLING AND PAYMENT**, Subparagraph 5.5, is deleted in its entirety and replaced as follows:

**“5.5 County’s Reimbursement to Contractor from July 1, 2013 to December 31, 2015**

5.5.1 Between July 1, 2013 through June 30, 2015, the maximum not to exceed cost to County for all services described hereunder is \$797,200. Of this amount, \$488,200 is the total of Contractor's annual fees (i.e., \$244,100 for FY 2013-2014 and \$244,100 for FY 2014-2015); and \$309,000 is the maximum for Contractor's completion of all work identified in Exhibit B, Section 8.8, Additional Post-Implementation Development, which will be billed at a rate of One Hundred and Ninety-Five Dollars (\$195) per hour, but shall not exceed \$309,000 for the completion of all the work described therein.

5.5.2 County’s reimbursement to Contractor for period beginning July 1, 2015 through December 31, 2015 shall not exceed One Hundred Twenty Two Thousand and Fifty Dollars (\$122,050).”

4. Agreement, Paragraph 5.0, **AGREEMENT SUM, BILLING AND PAYMENT**, is hereby amended to add Sub-Paragraph 5.7 as follows:

**“5.7 No Payment for Services Provided Following Expiration/Termination of Agreement**

The Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Agreement. Should the Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County’s right to recover such payment from the Contractor. This provision shall survive the expiration or other termination of this Agreement.”

5. Agreement, Exhibit B, Statement of Work, Section 8.0, **Electronic Requisitioning (Procurement Suite)**, is hereby amended to add Subsection 8.8 as follows:

**“8.8 Additional Post-Implementation Development**

Performance of Work described in this Subsection 8.8 shall be performed beginning July 1, 2013 and shall continue until the Agreement expires or is terminated.

**8.8.1 Procurement Master Table and Reporting**

GHX shall be responsible for the following:

- a. Create a new interface for loading the Procurement Master Table into GHX Transfer Engine/Procurement Suite.
- b. Modify the GHX Transfer Engine to be able to massage/modify all NuVia VIM (Virtual Item Master) and CCX (Contract Center) items against the Procurement Item Master so that each item is coded appropriately.
- c. Create a new report in the GHX Transfer Engine that will provide any NuVia VIM (Virtual Item Master) or CCX (Contract Center Xpert) items that were not coded by the Procurement Item Master and stop items with no match from interfacing to Procurement Suite.
- d. Add a new field to the item specification in Procurement Suite for the DHS' commodity code. Name for the new field to be determined.
- e. Add a new field to the CCIL (Contract Catalog Item Load) interface specification in Procurement Suite for the DHS' commodity code in Procurement Item Master.

**8.8.2 Commodity Approval Modification**

GHX shall be responsible for modifying Procurement Suite to allow DHS to select up to three (3) approvers within relevant segments of the application.

**8.8.3 Search Catalog Modification**

GHX shall be responsible for modifying Procurement Suite to allow DHS to select the Item Source from the initial Search Catalog.”

6. Agreement, Exhibit C, Fee Schedule, is deleted in its entirety and replaced with Exhibit C-1, attached hereto and incorporated herein by reference. All references to Exhibit C in the Agreement shall be replaced by Exhibit C-1.
7. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by the County's Director of Health Services and Contractor has caused this Amendment to be executed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
Mitchell H. Katz, M.D.  
Director of Health Services

CONTRACTOR

GLOBAL HEALTHCARE EXCHANGE, LLC

By: \_\_\_\_\_  
Rob Gillespie  
Chief Financial Officer

APPROVED AS TO FORM:

Allison Morse  
County Counsel

By: \_\_\_\_\_  
Senior Deputy County Counsel

## GHX FEE SCHEDULE SUMMARY

Agreement Effective Date		Agreement Term Length Governing SOW	Los Angeles County Board approval thru June 30, 2013 with two annual renewals plus six month to month.
		Number of Facilities Covered by Agreement	Found in Affiliates Section of the User Agreement
Primary GPO	UHC	# MMIS	1

Account Name	Los Angeles County - Department of Health Services 5555 Ferguson Drive, Suite 100-65 Commerce, CA 90022-5164	Janice Gunter GHX Executive Director Sales & Service West Region
AP Contact at	Name: Gary McMann Title: Chief, Supply Chain Network e-mail: <a href="mailto:gmcman@dhc.lacounty.gov">gmcman@dhc.lacounty.gov</a> Phone: 323-890-7926	

Product Type	Fee	Invoice Cycle (Time Frame)	Milestone/Trigger	Notes
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**CONNECT PLUS:**

Integration	\$ -	One Time	Subsidized <sup>(a)</sup>	
Subscription	30,000	Annual	Subsidized <sup>(a)</sup>	(Est. annual fee of \$29,978)
Sub-Total	\$ 30,000			

**CONTRACT CENTER:**

Subscription	\$ 27,300	Annual	Subsidized <sup>(a)</sup>	(Est. annual fee of \$27,300)
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**METATRADE:**

Integration	\$ 10,400	One Time	Upon signing of agreement	
Subscription	10,400	Annual	Invoice generated when go-live occurs at each facility and the Project Acceptance form is signed off by client as completed.	Four (4) facilities x \$2,600 = \$10,400 See affiliates in User Agreement
Sub-Total	\$ 20,800			

**NUVIA:**

Set Up/Implementation	\$ 89,800	One Time	Upon signing of agreement	
Integration	\$ 30,000	One Time	Upon access to Nuvia on-line and access to the Allsource catalog.	
Subscription	\$ 86,400	Annual	Upon set up completion, data load, on-line access, and Project Acceptance form is signed off by client as completed.	
Sub-Total	\$ 206,200			

**PROCUREMENT SUITE:**

Implementation	\$ 200,000	One Time		
Maintenance	\$ 90,000	Annual	\$60K for first facility and \$10K for each additional facility when go-live occurs	
Custom Interface	\$ 90,000	One Time	Portion due upon signing of SOW and remainder when Project Acceptance form is signed off by client as completed.	
Sub-Total	\$ 380,000			

**BUSINESS SOLUTIONS (PRA):**

PRA/Contract Upload	\$ 100,000	One Time	Portion due upon signing of SOW and remainder when Project Acceptance form is signed off by client as completed.	Procurement Resource Alignment (PRA)
Travel Expenses	\$ 10,000	As needed	Fees for on-site portion of implementation for air, hotel, transportation, and meals	Business expenses upon approval by DHS Project Manager

**OPTIONAL SERVICES:**

PRA/Contract Monthly Support	\$ 4,000	As needed	Invoice monthly, following the month of service.	Only upon prior written approval by DHS with justification of need and SOW of deliverable(s).
PRA/Contract \$35 per hour Support Converting contracts to electronic format	\$35/ hr	As needed	Invoice monthly, following the month of service.	Only upon prior written approval by DHS with justification of need and SOW of deliverable(s).

(a) Subsidized by Client GPO through December 31, 2011. If subsidy is terminated 12/31/2011, the estimated fees for LADHS are noted.

## GHX Payment Schedule Details and Deliverables

Product Type	Total Contracted Fee	Upon Signing Agreement	Milestone/ Trigger	NOTES <sup>(a)</sup>	Milestone/ Trigger	NOTES
CONNECT PLUS:						
Integration	\$ -	\$ -				
Subscription	\$ 105,000	\$ -				
Sub-total	\$ 105,000					
CONTRACT CENTER:						
Subscription	\$ 95,550	\$ -				
METATRADE:						
Integration	\$ 10,400	\$ 10,400				
Subscription	\$ 41,600	-	\$ 2,600	Fee for each facility will be invoiced as they are implemented and Project Acceptance (PA) form	\$ 7,800	\$2,600 each for remaining three facilities as implemented and PA form signed.
Sub-total	\$ 52,000	\$ 10,400	\$ 2,600		\$ 7,800	
NUVIA:						
Set Up/Implementation	\$ 89,800	\$ 49,800	\$ 40,000	GHX req. completed, DHS initial data load, and PA form signed.		
Integration	\$ 30,000	\$ -	\$ 30,000	On-line access completed and PA form signed.		
Subscription	\$ 432,000	\$ -	\$ 86,400	GHX req. completed, DHS subsequent file data load, and PA form signed.		
Sub-total	\$ 551,800	\$ 49,800	\$ 156,400			
PROCUREMENT SUITE:						
Implementation	\$ 200,000	\$ 100,000	\$ 100,000	Technical spec's completed (usually w/in 30-days)		Delivery of pilot configuration access and PA form signed.
Maintenance	\$ 420,000	-	\$ 60,000	When 1st facility go-live completed and PA form signed.	\$ 30,000	\$10,000 each for remaining three facilities as implemented and PA form signed.
Custom Interface	\$ 90,000	45,000	\$ 45,000	Server deliv, configured, in working order, and PA form		
Sub-total	\$ 710,000	\$ 145,000	\$ 205,000		\$ 30,000	
Adtl. Post-Implementation Development Services (b)	\$ 309,000					
Contingency Work (c)	\$ 120,415					
BUSINESS SOLUTIONS (PRA):						
PRA/Contract Upload	\$ 100,000	\$ 44,800	\$ 55,200	Upon PA form signed.	\$ -	
On-Site Travel Expenses	\$ 10,000		\$ 10,000	On-Site implemt. reqments.	\$ -	
OPTIONAL SERVICES:						
PRA/Contract Monthly Support	\$ 68,000		\$ 20,000			
PRA/Contract per hour Support	\$ 35		As needed.			
Converting contracts to electronic format						
Total Contract Maximum (d)	\$ 2,121,765	\$ 250,000	\$ 449,200		\$ 37,800	

Project Acceptance forms to be signed by DHS Project Manager when work completed and implementation committee validates deliverable(s) met per SOW.

(a) Milestone/Trigger points for invoice generation are based on validated GHX work completed and not DHS required deliverables and the Project Acceptance form signed by DHS Project Manager.

(b) See Agreement, Subsection 5.5 and Exhibit B, Subsection 8.8 for terms of payment.

(c) See Agreement, Subsections 3.3 and 5.4, and Attachment A, Invoicing Details and Schedule for terms of payment.

(d) Total reimbursement to Contractor from September 21, 2010 through June 30, 2015. Fees for the 6 month extension option from July 1, 2015 through December 31, 2015 will be an additional \$122,050 for a total contract maximum of \$2,243,815.